

NORTHERN REVENUE SHARING TRUST ACCOUNT

UNAUDITED SUPPLEMENTARY INFORMATION

and

AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

NORTHERN REVENUE SHARING TRUST ACCOUNT

UNAUDITED SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2005

NORTHERN MUNICIPAL SERVICES

Northern Municipal Services (branch) is a branch of the Municipal Relations Division of the Department of Government Relations (GR). One of the goals of the department is:

- Respectful, effective municipal-provincial relationships that strengthen the quality of local governance for the benefit of Saskatchewan residents.

The department has established, as an objective to achieve this:

- Department services and provincial funding that strategically assist municipal governments in governing and meeting the needs of their residents.

To assist in this goal and objective the branch is responsible for managing the Northern Revenue Sharing Trust Account (NRSTA) and administering the Northern Saskatchewan Administration District (NSAD).

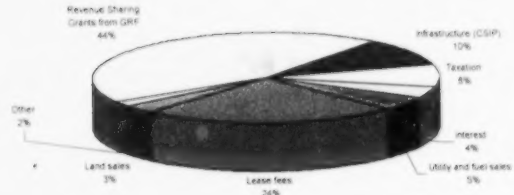
MANDATE OF THE NRSTA

The NRSTA is a dedicated fund, with revenues generated in the north, that is visible and accountable to northern Saskatchewan residents. The Account is managed for northerners by the branch with input and advice from the Northern Revenue Sharing Trust Account Management Board.

The Account acts as both a municipal operating fund for the NSAD and as a general fund providing financial support to northern municipalities and settlements. The NRSTA derives its main revenues from four main sources:

1. transfers from the provincial general revenue fund and other programs;
2. collection of monies from lease fees and land sales in the NSAD;
3. property taxes and penalties collected on land in the NSAD, northern settlements and recreational subdivisions; and
4. interest on Account monies deposited in the financial institutions.

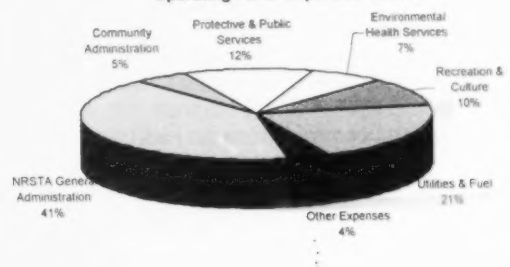
NRSTA Revenues - 2005



Operating Fund for NSAD

Under *The Northern Municipalities Act*, the Minister of Government Relations is responsible for carrying out the municipal responsibilities for the unincorporated areas of the NSAD. The NRSTA acts as the operating fund for the NSAD, and provides funding to meet operating costs for the 11 northern settlements, 14 recreational subdivisions and over 8000 isolated dispositions. The operating account represents approximately 14% of the NRSTA expenditures.

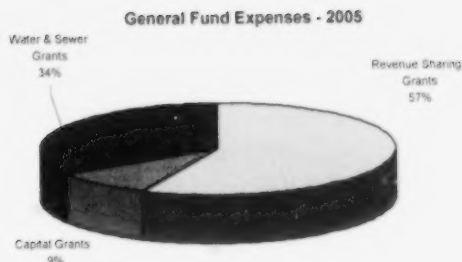
Operating Fund Expenses - 2005



General Fund

In addition, the NRSTA functions as a consolidated fund, providing Revenue Sharing Grants, Capital Grants, and other program funding to northern municipalities and settlements. The Revenue Sharing Grants program is funded from the provincial general revenue fund, and is topped up by funds provided from the general revenues of the NRSTA. Other programs, such as Capital Grants, are fully funded from the NRSTA's own source revenues. The general account portion represents 86% of the NRSTA expenses.





GOAL OF THE NRSTA

Assisting northern communities in providing quality municipal services to their residents

The objectives of the NRSTA, to accomplish this goal are:

1. To manage the NRSTA in a sustainable manner;
2. To ensure the NRSTA is fully accountable, transparent and in compliance with legislative authorities; and
3. To provide funding to assist northern municipal governments in meeting infrastructure, capital, administrative and service needs.

To achieve these, the branch is responsible for:

- administering, on behalf of the Minister as council, the northern settlements, recreational subdivisions, and the NSAD;
- administering the NRSTA and the northern revenue sharing, capital and water and sewer grants programs; and
- administering the Northern Residential Subdivision Development program.

Other branch activities which assist in meeting these objectives include:

- providing advice, guidance and training to northern officials and the public on northern municipal matters, including administrative procedures, municipal accounting, bylaw enactment and enforcement, property taxation, and assessments;
- monitoring northern municipal governments compliance with provincial statutes and regulations;

- monitoring and assisting northern municipalities with financial management; and
- providing municipal advisory services to the 24 autonomous northern municipal governments in the NSAD.

NRSTA 2005 ACTIONS

1. Manage the Northern Revenue Sharing Trust Account in a sustainable manner

In 2005 the NRSTA had revenues of \$15.7 million and expenses of \$16.4 million for a deficit of \$0.7 million. The deficit had the effect of reducing the NRSTA's net financial assets by 2% to \$18.6 million at year end 2005.

The NRSTA had planned a deficit of \$3.2 million for 2005 to finance the Northern Water and Sewer Program. As a result of delays in two major projects under that program, expenses were reduced causing the smaller deficit.

At the end of 2005 the NRSTA had no debt and an accumulated surplus of \$24.0 million.

Revenues

Transfers

Revenues are received from the province's general revenue fund. The funds are provided for the specific purpose of providing revenue sharing grant payments to the northern municipalities and northern settlements. These revenues are established annually in the provincial budget and are provided on a fiscal year basis. The NRSTA has no control over the amount allocated.

In addition, transfers are received from the province and federal government for infrastructure development. These transfers are related to specific approved infrastructure projects under the Canada Saskatchewan Infrastructure Program (CSIP). These funds flow through the NRSTA and are detailed under expenditures in the Northern Water and Sewer Program.

The provincial government also pays grants in lieu of property taxes to the NRSTA.

Northern settlements also access recreation grants and, in 2005, the Centennial Grant programs to assist with projects in their communities.



Source	2005	2004
Unconditional Revenue Sharing	\$ 6,158,000	\$ 6,158,000
Conditional Revenue Sharing	822,000	822,000
Water & Sewer	1,520,207	1,514,145
Grants in Lieu	46,003	44,033
Recreation Grants	53,654	90,038
Total	\$ 8,599,864	\$ 8,628,216

Lease and Land Sales

The lease and sale of Crown land in the NSAD also provides revenue to the NRSTA. In addition land sales in northern settlements and from the Northern Residential Subdivision Program are deposited to the NRSTA.

	2005	2004
Lease Fees	\$ 3,985,869	\$ 3,704,866
Land Sales	398,236	1,082,515
Total	\$ 4,384,105	\$ 4,787,381

Taxes Levied and Collected

The NRSTA levies and collects taxes in the northern settlements, recreation subdivisions and the NSAD. Taxes collected in the northern settlements and recreation subdivisions are designated for use in the community in which they are collected.

Taxes collected in the NSAD during 2005 were used, in part, to fund the Northern Capital Grant and the Northern Water and Sewer Grant programs, to supplement funding under the Northern Revenue Sharing Grants program, and to fund the Northern Residential Subdivision Development program.

The NRSTA also administers assessment and taxation for the nine northern hamlets and the three northern school divisions. Revenues collected on behalf of the northern hamlets and school divisions are transferred to those organizations.

Taxes Levied	2005	2004
NRSTA	\$ 1,299,891	\$ 1,220,780
Hamlet	66,667	64,616
School	3,720,126	4,152,215
Total	\$ 5,086,684	\$ 5,437,611

Taxes Collected

NRSTA	\$ 1,240,541	\$ 1,206,960
Hamlet	57,765	49,873
School	3,698,135	4,019,151
Total	\$ 4,996,441	\$ 5,275,984

Tax Collections (as % of taxes levied)

98.2 %	96.3 %
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Interest and Penalties

The NRSTA also derives revenue from deposits and investments held in financial institutions. The NRSTA negotiates to obtain the best rates on these funds. In addition, penalties are added to tax accounts that are not paid on time. In 2005, these sources generated \$655,744 (2004 - \$662,895.)

Other

In 2005, the NRSTA also received revenue of \$827,595 from other sources such as fuel sales, utility fees and other services (2004 - \$584,709.)

Other actions for this objective in 2005:

- Evaluate options for increasing revenue for the NRSTA;
- Review and justify administration fees charged to the NRSTA;
- Develop options for the collection of lease fees, which are currently collected by Saskatchewan Environment (SE);
- Enhance and document tax collection and enforcement procedures;
- Research other short term investment options for Account funds to maximize return on investment;

- Analyze level of taxes paid by mining industry, comparable to other industries in the province and the country;
- Conduct research to determine levels of funds needed in Account in order to carry out funding obligations; and
- Identify expenditures and what is needed to fulfill both purposes of the Account.

In 2005 outcomes included:

- Improving the investment strategy for NRSTA's net financial assets;
- Signing an agreement with SE on collections and remittance of lease and land sales fees; and
- Proceeding with tax enforcement actions on properties in arrears.

Further action is required on:

- Review and analysis of the tax rate on the mining industry; and
- Analysis of the future financial resource needs of the NRSTA.

These actions will be initiated in 2006.

2. Ensure the NRSTA is fully accountable, transparent and in compliance with legislative authorities

The department continues to enhance the NRSTA's accountability and transparency. This includes improving accuracy and reliability of information about the NRSTA, oversight of the NRSTA by the department, ensuring policies and procedures are adequate and complied with and developing improved reporting on the NRSTA to the Legislative Assembly and the public.

Key actions for 2005:

- Develop a strategic plan for the NRSTA;
- Develop a business and financial plan for the NRSTA;
- Review and document rules and procedures for the department in monitoring NRSTA's operations and define financial reports for management;
- Develop and provide enhanced reporting on the NRSTA's annual activities;

- Improve accuracy and reliability of information about the account provided within government for decisions and reporting;
- Develop and implement staff training plan for GR staff in La Ronge;
- Review and document rules and procedures to prepare accurate financial statements;
- Document policies and procedures on the NRSTA's operations;
- Develop and implement a compliance report to ensure the Account is being operated in accordance with legislation; and
- Review regulatory and legislative authorities and identify individual actions to be taken.

In 2005, the branch initiated and completed most of the key actions. Major accomplishments included:

- Approval of the NRSTA Strategic Plans for 2005 and 2006;
- Approval of the NRSTA 2006 Business and Financial Plan, and
- Enhanced reporting on NRSTA activities to senior management.

Work remains to be done to complete the NRSTA policies and procedures drafted during 2005. These will be finalized early in 2006.

Costs of effectively administering and operating the NRSTA in 2005 are set out below. This excludes the settlements own direct administration costs.

Northern Revenue Sharing Trust Account Administrative Expenses

SE administration charge	\$ 430,000
Contractual services	402,540
GR administration charge	200,000
Management Board fees & expenses	43,439
SAMA requisition fees	29,034
Amortization on capital assets	12,028
Other fees and services	17,747
Loss on disposal of assets	4,136
Bad debt expense	13,379
Total	\$ 1,152,303

The NRSTA Management Board held five meetings in 2005. Topics covered in the meetings included the progress of the Northern Water and Sewer Program, emergency repair program applications, and the Northern Residential Subdivision Development program. The Board reviewed and recommended acceptance of the Strategic Plan, the Business Plan and the Financial Plan. The Board also reviewed the NRSTA quarterly statements of operations.

The branch salaries and operations are funded by the Province of Saskatchewan through the Department of Government Relations. The branch had a budget of \$919,000 for 2005-06 (\$664,000 salaries and \$255,000 operating). The departmental budget includes the cost for office rental as well as information technology services (\$66,000 in 2005). The Department charges the NRSTA a levy of \$200,000 per year to assist with branch salaries and operational costs. Saskatchewan Environment also levies a fee of \$430,000 on the NRSTA for administration of the Crown land lease and sales.

3. Provide funding to assist northern municipal governments in meeting infrastructure, capital, administrative and service needs

The NRSTA provides extensive financial support for the operations and development of northern municipalities and settlements.

Key actions in 2005:

- Assist northern communities in constructing and acquiring capital assets through the administration of the Northern Capital Grants Program (NCGP);
- Address critical municipal infrastructure needs through the development of water and sewer systems in northern communities under the Northern Water and Sewer Program; and
- Evaluate the effectiveness and viability of the Northern Residential Subdivision Development Program in the provision of housing in northern communities.

These actions were addressed by the following programs:

Financial Assistance

Northern Revenue Sharing Grants Program

This program provides unconditional funding to northern municipalities and settlements to assist in meeting their annual administrative and operational needs. Northern communities have a high dependence on provincial grants to support operations and administration. Local tax bases are very limited and without provincial support many communities would not be able to deliver services to their residents.

This program is funded through the provincial general revenue fund allocation along with a top-up from the NRSTA.

Grant Payments	2005	2004
Towns	\$ 739,698	\$ 735,364
Northern villages	4,815,400	4,787,184
Northern hamlets	1,173,055	1,165,966
	6,728,153	6,688,514
Northern settlements	936,533	911,256
Fin Flon boundary agreement	36,579	35,046
Total	\$ 7,701,265	\$ 7,634,816

Northern Capital Grants Program

This program supports northern municipalities and settlements by providing capital funding assistance for acquiring, constructing or upgrading municipal facilities, furniture, fixtures, and equipment. The program is funded by NRSTA own source revenues.

Number of Projects Funded	2005	2004
Towns	11	6
Northern villages	29	33
Northern hamlets	13	12
Northern settlements	7	6
Total	60	57

Grant Payments

Towns	\$ 216,300	\$ 339,490
Northern villages	699,003	882,067
Northern hamlets	179,628	67,828
	1,094,931	1,289,385
Northern settlements	134,129	73,253
Total	\$1,229,060	\$1,362,638

Northern Water and Sewer Program

This program assists northern municipalities and settlements with the development of new, or with upgrading existing, water and sewer facilities. It is funded by NRSTA retained net financial assets and from CSIP. The program provides grants for two types of projects.

New Facilities

These grants are available to communities lacking existing conventional water and sewer systems. Approved projects receive 100% funding for the design and construction of new water and sewer facilities and/or for the replacement of existing water and sewer mains.

Number of Projects Funded	2005	2004
Northern villages	---	---
Northern hamlets	1	1
Northern settlements	2	5
Total	3	6

Program Expenditures

Northern villages	\$ ---	\$ ---
Northern hamlets	74,967	130,195
Northern settlements	27,412	231,197
Total	\$ 102,379	\$ 361,392

Upgrading Facilities

This grant supports northern municipalities and settlements by providing funding to upgrade existing water and sewer systems.

The Northern Revenue Sharing Grants Regulations provide northern municipalities or settlements with funding assistance in an amount equal to the greater of:

(a) the northern municipality's or settlement's cost for any water and sewer upgrading project, less an amount equal to two mills on the most recent confirmed taxable assessment of the northern community; or,

(b) 85% of the total cost of the project itself.

Number of Projects Funded	2005	2004
Towns	4	7
Northern villages	17	14
Northern hamlets	5	18
Northern settlements	---	2
Total	26	41

Program Expenditures

Towns	\$ 935,848	\$1,886,775
Northern villages	2,313,872	3,634,832
Northern hamlets	460,334	471,345
General expenditures	193,577	131,989
	3,903,631	6,124,941
Northern settlements	---	21,972
Total	\$3,903,631	\$6,146,913

Emergency Water and Sewer Program

This program assists northern municipalities and settlements with emergency funding in the event of unforeseen problems which threaten the safety of the community's water and sewer systems. Funding is provided from NRSTA own source revenues.

Projects are approved by the Minister of Government Relations on:

- the recommendation of the Northern Revenue Sharing Trust Account Management Board; and,
- confirmation from Saskatchewan Water Corporation that the situation is critical and meets the criteria of the program

The maximum assistance available under this program in a fiscal year is an amount equal to the greater of:



(a) the northern municipality's or settlement's cost of all water and sewer projects undertaken in that fiscal year less an amount equal to two mills on the most recently confirmed taxable assessment of the northern community, or

(b) 85% of the total cost of the emergency repair project.

Number of Projects Funded	2005	2004
Towns	---	---
Northern villages	5	3
Northern hamlets	4	4
Total	9	7

Program Expenditures

Northern villages	\$ 216,200	\$ 45,720
Northern hamlets	228,521	42,908
Northern settlements	---	---
Total	\$ 444,721	\$ 88,628

Subdivision Development Program

This program assists northern municipalities by funding the development of new residential subdivisions in the municipality. The program covers subdivision design, survey and installation of services. The program was initiated with an allocation of \$2 million from the NRSTA. Future projects are to be funded by sale of the developed lots. The prices for lots are established to fully recover the cost of the development.

By year end 2005 the program had developed 123 lots in four northern municipalities at a cost of \$1,478,280. To date, 14 lots have been sold, recovering \$264,775 (not including gst) for the program.

Number of Projects Funded	2005	2004
Towns	---	---
Northern villages	1	3
Northern hamlets	---	---
Northern settlements	---	---
Total	1	3

Program Expenditures

Towns	\$ ---	\$ ---
Northern villages	404,884	166,224
Northern hamlets	---	---
	404,884	166,224
Northern settlements	---	---
Total	\$ 404,884	\$ 166,224

Lot Sales

	2005	2004
Lots Sold	9	5
Revenue	\$ 208,900	\$ 55,875
GST not included		

Other key actions for this objective:

- Initiate review and evaluate fairness and equity of current distribution model for northern revenue sharing grants, including impacts on TLE communities, and begin consultations with northern stakeholders to develop a discussion paper with options for updating the formula;
- Develop phase two of a water and sewer program;
- Develop a program on long term operation and maintenance for northern water and sewer systems; and
- Evaluate grant programs through the development of a long-term program review model.

The review of the revenue sharing formula and the evaluation of programs has been carried over into 2006.

The NRSTA assisted northern communities in carrying out an assessment of their water and sewer systems in 2005. The information from these assessments will be used to develop the next set of projects during 2006. Currently program funding is available through the Canada-Saskatchewan Municipal Rural Infrastructure Fund (MRIF) and the conditional revenue sharing allocation.

Work continues with northern municipalities on development of a water and sewer operations program. Terms of reference for the project were developed in 2005.

TAX TITLE PROPERTIES

The NRSTA owns the following properties due to tax enforcement proceedings. The tax title properties are carried at the lower of the amount of taxes owing and net realizable value. The carrying value in the financial statements is zero.

Location	No. of Lots	Tax School	Tax Municipal
Uranium City	599	\$ 547,593	\$ 337,923
Waden Bay	1	5,596	1,132
Total	600	\$ 553,189	\$ 339,055

NRSTA 2006 OUTLOOK

For 2006, it is projected that the NRSTA will have revenues of \$16.3 million and expenses of \$18.1 million for a deficit of \$1.8 million.

The deficit is required to complete funding of the last year of the Northern Water and Sewer Program.

By year end 2006 the net financial assets of the NRSTA are projected to be \$13 million.

APPENDICES

- 1. Payments to Vendors list**
- 2. Payments to NRSTA Management Board, Advisory Committees and Employees**
- 3. Payments to Related Parties**
- 4. Payments of Grants**

NORTHERN REVENUE SHARING TRUST ACCOUNT Payments To Vendors

Vendor	Payments Amounts >\$2,000 & <\$10,000
4H Trucking	2,054
Aalen, Ken	2,433
Acklands-Granger Inc.	7,484
Air Mikisew	3,812
Amachewespmawin Co-op	7,321
Anderson Pump House Ltd.	3,129
Armtec	3,818
B Sharp Music	2,026
BCM Sales & Service	8,835
Buchanan Brian	3,010
Butt & Top LTD	2,906
Camsell Portage Transportation	4,162
Canadian Satellite	4,237
Cariboo Creek Plumbing	6,000
Catherall & Wright	3,606
Cochrane Engineering	6,521
Cogema	8,657
Corus Entertainment Inc.	4,222
Courtesy Air	3,518
Denare Beach	5,050
Earthvision Systems Ltd.	2,750
Ed's Scuba Service	2,964
Electric Waves	5,437
Fiberglass Canada	3,179
Fields	3,709
Fiske Electric	4,702
Flaman Sales	4,462
Gateway Tire Sales 2000 Ltd	5,707
German, Adam	5,350
Gould Home Recreation	8,136
GT Ventures	3,659
Herman, Randy	2,940
Infostat Canada	5,742
Janvier, Jonathan	4,400
La Roche Fuel Bar Inc.	5,565
Laprise, Dora	2,200
La Ronge Coop	2,059
La Ronge Computer Shop	3,058
La Ronge Industries	5,628
Lens Trucking	3,190
Marlboro Inn	2,146
Meadow Lake Home Coop	2,262
Mid North Safety	2,921
Mitsap Fuel Distributors	5,188
Mokstkan & Sons Electric	2,114
Montgrand, Joey	2,967
Moring Plumbing & Heating	5,550
Munsott	8,104
Nagyl Construction	2,387
National Process Equipment	2,103
Olympian Sports Excellence	6,153
Parks General Store	8,216
Peter Ballantyne Cree Nation	6,650
Petit's Lumber & Home	5,520
Petit, Frank	7,015
Powder, Bernard	5,000
River Ridge Spring Water	3,215
Scoff's General Store	7,836
Sears Canada Inc.	2,290
Stauber Drilling Inc.	2,675
Telus Mobility	6,679
Terry Pearson Services	3,760
The General's Coffee Service	2,719
The Northwest Company	2,282
The Northerner	2,329
The Sports Network	2,752
The Star Phoenix	3,192
Toujour, Archie	3,069
Uranium City Contracting	3,906
Hatchel Lake Band	2,308
Waden Bay Cabin Owners	3,895
Wolseley Engineering	4,505
Total payments >\$2,000<\$10,000	\$ 309,245

Vendor	Payments Amounts > \$10,000
Village of Air Ronge	25,642
Acadia Construction	390,008
Altrav Mechanical Ltd.	185,839
Associated Engineering	161,776
ATAP Infrastructure	304,250
Birch River Dene Nation	567,786
Bornac Management	849,323
Bulle Consulting Ltd.	213,900
Cleartech Industries Inc.	20,362
Econo Lumber	13,273
Farm & Garden Centre	72,841
Fire & Auto Enterprises	11,435
Hard Construction Ltd.	806,907
Hard Rock Construction	14,852
Interwest Mechanical	36,905
J & R Atkinson Excavating	679,594
Town of La Ronge	431,783
La Ronge Petroleum	34,622
Lac La Ronge Indian Band	23,073
Lazar Equipment Ltd.	48,380
McIntyre Construction	100,826
Methy Construction	20,480
Mones & Associates	61,093
Northern Dene Airways	214,099
Northtown Motors Ltd.	15,030
P.R. Service	11,072
PB Community Fund Inc.	163,641
Pritchard Industrial	59,680
Ratzliff, Bertha	10,898
Ritchie Construction Ltd.	140,047
Ron's Plumbing and Heating	22,484
Sai Engineering Ltd.	31,921
Septic Vac Sanitary Service	26,406
Shell Canada Products	681,501
Superior Propane	23,654
Terson Contracting Ltd.	205,463
Transwest Air	11,783
True Value	12,417
Tupper's Construction Ltd.	16,034
UMA Engineering	250,676
Unicon Pipelng Ltd.	381,726
Uranium City Bulk Fuel Ltd.	130,417
Total payments >\$10,000	\$ 7,493,879
Payments <\$2,000	44,162
Payments >\$2,000 <\$10,000	309,245
Payments > \$10,000	7,493,879
Total Scheduled Payments	\$ 7,847,306

NORTHERN REVENUE SHARING TRUST ACCOUNT
Payments To Management Board, Advisory Committees and Employees

Recipient	Salaries	Travel	Honorarium	Total
Chaboyer, Brian	\$	\$ 2,174	\$ 1,545	\$ 3,719
Charles, Sheldon	3,191			3,191
Churchward, Jim		2,371	90	2,461
Cone, Kevin	2,659			2,659
Daniels, Terri		1,917	930	2,847
Denago, Napoleon	3,822			3,822
Fonas, Harold		1,784	740	2,524
Gailey, Doug		1,832	1,395	3,227
German, Adam	29,818			29,818
Hardlotte, Lydia	4,785			4,785
Heman, Earl	3,807			3,807
Herman, George	3,353		270	3,623
Herman, Jason	3,765	850	330	4,945
Herman, Lloyd	2,057		240	2,297
Janvier, Jonathan	7,008			7,008
Janvier, Keith	6,425			6,425
La Fleur, Eugene		1,036	1,162	2,198
Laliberte, Rod	7,885			7,885
Landon, Dennis	8,710			8,710
Laprise, Ashley	2,342			2,342
Laprise, Casey	3,698			3,698
Laprise, Dora	5,860	978	550	7,388
Laprise, Jordan	3,900			3,900
Lemaigre, Damian	9,781	2,258	500	12,539
Lenko, Carolyn	5,518			5,518
McLeod, Albert E	4,167			4,167
McLeod, Albert J	3,236			3,236
McLeod, Irvine	18,306			18,306
McLeod, Joyce	3,562			3,562
Merasty, Lucy	3,732			3,732
Merasty, Roderick	22,637			22,637
Montgrand, Joey	8,056			8,056
Montgrand, Phillip	4,341			4,341
Montgrand, Ryan	5,228			5,228
Ratzlaff, Bertha	24,120			24,120
Roberts, Charlie	17,658			17,658
Stomp, Gordon		1,031	2,093	3,124
Sylvestre, John		2,203	370	2,573
Toulejour, Jeff	6,757			6,757
Toulejour, Percy	4,391			4,391
Wheeler, Beverly		1,631	1,240	2,871
Woods, Robert		1,202	1,008	2,210
Woodward, Dean	2,431			2,431
Employer share of benefits	38,723			38,723
Total > \$2,000	285,729	21,267	12,463	319,458
Total < \$2,000	44,336	6,229	9,323	59,888
Total	\$ 330,064	\$ 27,495	\$ 21,786	\$ 379,346

Appendix 3

Northern Revenue Sharing Trust Account Payments Made To Related Parties During 2005

Name	Amount
Saskatchewan Water Corporation	\$ 445,931
Minister of Finance - Sask Environment	430,000
Minister of Finance - Government Relations	200,000
Saskatchewan Power Corporation	141,996
SAMA	36,597
Minister of Finance	20,737
Sask Government Insurance	7,666
Sask Tel C.M.R.	14,239
Sask Worker's Compensation Board	6,566
ISC	2,887
Queen's Printer	30
Total Payments to Related Parties	\$ 1,306,649

Appendix 4

NORTHERN REVENUE SHARING TRUST ACCOUNT

Payments Of Grants

Transfer Payments During 2005

Recipient	Revenue Sharing	Capital Grant	Other	Total Grants
Flin Flon	\$ 36,579	\$	\$ 0	\$ 36,579
New North			220,000	220,000
Towns				
Creighton	308,009			308,009
La Ronge	431,689	216,320		648,009
Villages				
Air Ronge	219,592	27,000		246,592
Beauval	322,549	5,423		327,972
Buffalo Narrows	479,518	63,203		542,721
Cole Bay	140,862	28,679		169,541
Cumberland House	438,929			438,929
Denare Beach	308,839	100,426		409,265
Green Lake	292,379	64,800		357,179
Ile a la Crosse	496,551	145,488		642,039
Jans Bay	142,013			142,013
La Loche	837,528	171,323		1,008,851
Pelican Narrows	351,160			351,160
Pinehouse	354,123	66,128		420,251
Sandy Bay	431,357	26,533		457,890
Hamlets				
Dore Lake	102,464			102,464
Michel Village	117,130	9,372		126,502
Missinipe	102,064	2,798		104,862
Patuanak	134,846	10,290		145,136
St George's Hill	119,255	9,194		128,449
Stony Rapids	163,893	62,327		226,220
Timber Bay	133,980			133,980
Turnor Lake	151,397	76,479		227,876
Weyakwin	148,026	9,149		157,175
Settlements				
Bear Creek	72,749	54,263		127,012
Black Point	61,231	7,463		68,694
Brabant Lake	105,751	26,109		131,860
Camsell Portage	62,723	9,821		72,544
Descharme Lake	61,095			61,095
Garson Lake	61,040	2,767		63,807
Sled Lake	71,303	33,705		105,008
Southend	60,615			60,615
Stanley Mission	127,880			127,880
Uranium City	120,748			120,748
Wollaston Lake	131,398			131,398
Total Grants Paid	\$ 7,701,265	\$ 1,229,060	\$ 220,000	\$ 9,150,325

NORTHERN REVENUE SHARING TRUST ACCOUNT

FINANCIAL STATEMENTS

For the Year Ended December 31, 2005



Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Northern Revenue Sharing Trust Account as at December 31, 2005 and the statements of operations, change in net financial assets, and cash flows for the year then ended. The Northern Revenue Sharing Trust Account's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Northern Revenue Sharing Trust Account as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
March 11, 2006

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

NORTHERN REVENUE SHARING TRUST ACCOUNT
STATEMENT OF FINANCIAL POSITION
As at December 31

	<u>2005</u>	<u>2004</u>
Financial assets		
Cash	\$ 1,113,824	\$ 1,525,035
Temporary investments	18,250,000	17,950,000
Accounts receivable (Note 4)	3,047,741	4,686,789
Inventory for resale	<u>402,196</u>	<u>177,669</u>
	<u>22,813,761</u>	<u>24,339,493</u>
Liabilities		
Unearned revenue (Note 8)	1,584,223	1,575,794
Grants payable	1,981,667	2,940,727
Accounts payable (Note 5)	240,324	228,178
Accrued landfill decommissioning (Note 6)	242,525	354,249
Revenues collected for others (Note 7)	<u>207,049</u>	<u>242,969</u>
	<u>4,255,788</u>	<u>5,341,917</u>
Net financial assets (Note 11)	<u>18,557,973</u>	<u>18,997,576</u>
Non-financial assets		
Tangible capital assets (Note 9)	5,336,856	5,630,480
Prepaid expenses	<u>107,500</u>	<u>112,138</u>
	<u>5,444,356</u>	<u>5,742,618</u>
Accumulated surplus (Note 11)	<u>\$ 24,002,329</u>	<u>\$ 24,740,194</u>
Commitments (Note 14)		

(see accompanying notes to the financial statements)

NORTHERN REVENUE SHARING TRUST ACCOUNT
STATEMENT OF OPERATIONS
For the year ended December 31

	2005		2004
	Budget (Note 10)	Actual	Actual
Revenues (Note 11)			
Transfers	\$ 9,884,100	\$ 8,599,864	\$ 8,628,216
Lease fees	3,719,000	3,985,869	3,704,866
Taxation	1,178,000	1,212,286	1,157,377
Interest	464,500	655,744	662,895
Utility and fuel sales	560,400	776,753	559,509
Land sales	300,000	398,236	1,082,515
Other	25,500	50,842	25,200
	<u>16,131,500</u>	<u>15,679,594</u>	<u>15,820,578</u>
Expenses (Notes 11 & 16)			
Transfers			
Northern revenue sharing	6,723,500	6,764,732	6,586,148
Water and sewer	7,108,000	4,423,319	6,343,764
Northern capital	987,100	1,094,931	1,442,896
New North	220,000	220,000	220,000
Northern residential subdivision (Note 12)	600,000	404,884	166,224
Fuel operating costs	471,300	750,880	550,288
Landfill decommissioning (Note 6)	100,000	51,917	354,249
Municipal services			
General government	1,355,200	1,251,656	1,181,189
Utilities operating cost	555,600	574,845	578,838
Recreation and cultural	366,500	282,451	305,568
Environmental	270,200	202,317	257,694
Transportation services	358,700	324,239	312,435
Protective services	50,900	20,873	23,698
Public health and welfare	2,000	210	---
Planning and development	35,000	---	---
Bad debt provision	150,000	50,205	248,000
	<u>19,354,000</u>	<u>16,417,459</u>	<u>18,570,991</u>
(Deficit) for the year	\$ <u>(3,222,500)</u>	(737,865)	(2,750,413)
Accumulated surplus, beginning of year		<u>24,740,194</u>	<u>27,490,607</u>
Accumulated surplus, end of year		\$ <u>24,002,329</u>	\$ <u>24,740,194</u>

(see accompanying notes to the financial statements)

NORTHERN REVENUE SHARING TRUST ACCOUNT
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31

	2005		2004
	Budget (Note 10)	Actual	Actual
(Deficit) for the year	\$ (3,222,500)	\$ (737,865)	\$ (2,750,413)
Acquisition of tangible capital assets	—	(235,442)	(317,589)
Amortization of tangible capital assets	—	523,580	528,784
Write-down of tangible capital assets	—	5,486	7,476
Proceeds on sale of tangible capital assets	—	1,313	—
Gain on sale of tangible capital assets	—	(1,313)	—
Use of (increase in) prepaid expenses	—	4,638	(4,638)
Net (decrease) increase in net financial assets	\$ <u>(3,222,500)</u>	(439,603)	(2,536,380)
Net financial assets, beginning of year		<u>18,997,576</u>	<u>21,533,956</u>
Net financial assets, end of year		\$ <u>18,557,973</u>	\$ <u>18,997,576</u>

(see accompanying notes to the financial statements)

NORTHERN REVENUE SHARING TRUST ACCOUNT
STATEMENT OF CASH FLOWS
For the year ended December 31

	<u>2005</u>	<u>2004</u>
Cash flows provided by (used in) operating activities		
Cash receipts from the General Revenue Fund	\$ 9,459,718	\$ 8,900,591
Cash receipts from leases and land sales	4,990,056	2,601,376
Cash receipts from taxes	1,234,458	1,140,197
Cash receipts from interest	807,344	545,276
Cash receipts from utility and fuel sales	720,486	406,968
Cash receipts from other sources	169,376	94,970
Cash paid as transfers	(13,517,721)	(14,427,132)
Cash paid for northern subdivision development	(404,884)	(166,224)
Cash paid for fuel operating costs	(885,630)	(338,505)
Cash paid for landfill decommissioning	(163,641)	—
Cash paid for municipal services	<u>(2,286,644)</u>	<u>(3,019,249)</u>
Cash flows provided by (used in) operating activities	<u>122,918</u>	<u>(4,261,732)</u>
Cash flows provided by (used in) capital transactions		
Purchase of tangible capital assets	(235,442)	(317,589)
Proceeds from disposal of tangible capital assets and tax title properties	<u>1,313</u>	<u>—</u>
Cash flows (used in) capital transactions	<u>(234,129)</u>	<u>(317,589)</u>
Cash flows provided by (used in) investing activities		
Disposal of temporary investments	55,450,000	47,000,000
Purchase of temporary investments	<u>(55,750,000)</u>	<u>(45,950,000)</u>
Cash flows (used in) provided by investing activities	<u>(300,000)</u>	<u>1,050,000</u>
Net decrease in cash	(411,211)	(3,529,321)
Cash, beginning of year	1,525,035	5,054,356
Cash, end of year	<u>\$ 1,113,824</u>	<u>\$ 1,525,035</u>

(see accompanying notes to the financial statements)

NORTHERN REVENUE SHARING TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

1. Authority and organization description

Northern Revenue Sharing Trust Account (NRSTA) was established by Section 287 of *The Northern Municipalities Act* (Act). NRSTA is administered by the Northern Municipal Services Branch of the Department of Government Relations (GR). NRSTA administers all revenues relating to the Northern Saskatchewan Administration District (NSAD) and all moneys appropriated by the Legislature for the purposes of northern revenue sharing and other grant programs.

The Northern Revenue Sharing Grants Program provides operational funding to northern municipalities. The grants are authorized under *The Northern Municipalities Revenue Sharing Program Regulations, 2004*.

The Northern Water and Sewer Program provides funding to northern municipalities to develop and install or upgrade water and sewer systems to ensure residents have access to a safe potable water supply.

The Northern Capital Grant Program provides funding to northern municipalities with limited sources of revenue to assist in the construction and upgrade of municipal facilities.

The Northern Residential Subdivision Program provides for the development of residential lots. Many of the municipalities in NSAD do not have sufficient tax bases or other sources of revenue necessary to develop a subdivision. Ownership of the developed lots is, by agreement with the municipalities, transferred to NRSTA.

The Saskatchewan Association of Northern Communities (New North) serves as a liaison between the northern municipalities and GR, and is an advocate voice for northern municipalities. The transfer to New North, on behalf of the Northern municipalities and settlements, is to assist them in promoting membership in their association.

Pursuant to the Act, NRSTA collects taxes for northern hamlets and northern school divisions. Taxes levied on behalf of northern hamlets and northern school divisions are not considered revenue of NRSTA and are not reflected in the Statement of Operations. These taxes are remitted to the respective entities when received.

2. Significant accounting policies

These financial statements are prepared using accounting principles appropriate for the public sector and reflect the following significant accounting policies:

a) Tangible capital assets

Tangible capital assets are recorded at cost in the year acquired less accumulated amortization. NRSTA's tangible capital asset policy requires items with a cost of \$100 or more and a useful life of greater than a year to be capitalized. All costs directly attributable to the acquisition, construction, development or betterment are included. Assets are amortized commencing in the year the asset is acquired using the straight-line method over their estimated useful lives as follows:

Buildings	25 years
Machinery and equipment	10 years
Office furniture and equipment	3 – 5 years
Water and sewer infrastructure	25 years
Other	10 years

Tangible capital assets are written down when the asset no longer contributes to NRSTA's ability to provide goods and services.

The historical costs of developing roads and similar infrastructure have not been valued nor included as part of the tangible capital assets.

b) Inventory for resale

Fuel held for resale is valued at the lower of cost, determined on a first in first out basis, and net realizable value.

c) Revenue

Revenues are recorded on the accrual basis. Government transfers are recognized as revenue in the period during which the transfer is authorized and any eligibility criteria are met.

d) Expenses

Transfers include grants and project cost-sharing arrangements and are recognized as expenses in the period during which the transfer is authorized and any eligibility criteria are met.

e) Northern Residential Subdivision Program – land development costs

NRSTA incurs land development costs for the Northern Residential Subdivision Program. Under the program, NRSTA develops lots for sale to private individuals or organizations. These costs include subdivision design and installation of power, water and sewer services. NRSTA determines the recoverability of these costs based on firm commitments from prospective buyers. NRSTA expenses these costs in the year the costs are incurred if it has no firm commitment from prospective buyers. However, when NRSTA has a firm commitment from a prospective buyer it records the related costs as assets on the Statement of Financial Position. NRSTA recognizes the sale of developed lots in the year the lots are sold.

f) Temporary investments

Temporary investments are short-term deposits that mature within one year and are recorded at cost, which approximates their market value.

g) Landfill decommissioning and post decommissioning care

In 2004, NRSTA began to determine the costs for decommissioning landfills and post decommissioning care. *The Saskatchewan Environmental Management and Protection Act* sets out regulatory requirements to properly close and maintain all active and inactive landfill sites. Environmental laws require decommissioning care of solid waste landfill sites. The costs to decommission landfill sites and the post decommissioning care are recognized over their estimated remaining lives based on usage.

h) Portfolio Investment

Athabasca Basin Development Limited Partnership (ABDLP) was established in 2002 to provide employment and economic development in the north. The northern settlements of Wollaston, Uranium City, and Camsell Portage each have a six percent limited partnership interest in ABDLP. First Nations in the far north hold the remaining interest. None of the limited partners paid any cash to secure their interest in ABDLP. These northern settlements record the investment as a portfolio investment whereby the investment is carried at cost and the revenue is recorded when cash dividends are declared.

3. Financial instruments

NRSTA's financial instruments include temporary investments, accounts receivable, grants payable, accounts payable and revenues collected for others. The fair value of these instruments approximates the carrying value due to their immediate or short-term nature. The temporary investments are term

deposits with a weighted average term to maturity of 42 days (2004 – 37 days) and bear interest ranging from 2.00% – 3.26% per annum (2004 – 2.00% – 2.61%).

4. Accounts receivable

	2005	2004
Due from GR - General Revenue Fund	\$ 377,242	\$ 1,243,064
Lease fees receivable	1,881,998	2,493,989
Accrued interest	93,756	245,356
Fuel sales receivable	213,354	157,087
Receivable from federal government (goods and services tax)	119,917	139,303
Taxes	21,772	43,944
Other	339,702	364,046
	<u>\$ 3,047,741</u>	<u>\$ 4,686,789</u>

NRSTA's accounts receivable above are net of a provision of \$476,938 for taxes, \$802,994 for leases, and \$950 for other receivables that are considered doubtful, for a total provision of \$ 1,280,882 (2004 – \$1,402,405).

5. Accounts payable

	2005	2004
GR administration fee	\$ 150,000	\$ 150,000
Other	90,324	78,178
	<u>\$ 240,324</u>	<u>\$ 228,178</u>

6. Accrued Decommissioning Landfill Costs

In accordance with its accounting policy, NRSTA has accrued an estimated amount of \$242,525 (2004- \$354,249) for decommissioning and post decommissioning care for all fifteen landfill sites in NSAD. The estimated accrual is based on the total estimated landfill capacity and the accumulated capacity used at December 31, 2005. Management estimates that the total cost to decommission landfill sites in NSAD will amount to \$629,220 (2004 - \$614,200) based on future cash flow discounted at three per cent.

The Saskatchewan Environment Management Protection Act sets out the decommissioning and the post decommissioning requirements including covering and landscaping of landfill, ongoing environmental monitoring, and maintenance. Future events may result in significant change to the total estimated costs required to comply with the environmental laws. NRSTA plans to account for such increases in the year when such events become known.

The estimated remaining capacity of the fifteen landfills in NSAD ranges from 0 to 50 years. On average these landfills have 1.5 hectares available for landfill use over the next 50 years.

7. Revenues collected for others

	2005	2004
School taxes due to school division	\$ 205,091	\$ 239,441
Municipal taxes collected due to hamlets	1,958	3,528
	<u>\$ 207,049</u>	<u>\$ 242,969</u>

8. Unearned revenue

Unearned revenue of \$1,584,223 (2004 – \$1,575,794) represents Crown land leases collected by the Department of Environment from third parties and paid to NRSTA relating to future periods.

9. Tangible capital assets

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold. Capital work in progress relates to water and sewer design expenses that were capitalized. These design costs are capitalized under work in progress until they are fully operational.

Tangible capital assets of \$93,145 (2004- \$58,827) were written off during the year. The tangible capital assets written off had a net book value of \$5,487 (2004- \$7,577) and were written off since these assets would no longer be providing future service.

	(thousands of dollars) 2005						2004	
	Buildings	Machinery & Equipment	Office Furniture & Equipment	Other	Water & Sewer	Capital Works in Progress	Total	Total
Opening cost	3,867	2,173	176	266	6,853	6	13,141	12,882
Additions	22	180	6	16	9	2	235	318
Disposals and write-downs	—	(54)	(39)	—	—	—	(93)	(59)
Closing cost of tangible capital assets	3,889	2,299	143	282	6,662	8	13,283	13,141
Opening accumulated amortization	2,991	1,574	132	175	2,639	—	7,511	7,033
Annual amortization	130	168	14	18	193	—	523	529
Disposals and write-downs	—	(53)	(35)	—	—	—	(88)	(51)
Closing accumulated amortization	3,121	1,689	111	193	2,832	—	7,946	7,511
Net book value of tangible capital assets	768	610	32	89	3,830	8	5,337	5,630

10. Budget

The budget for 2005 was approved by the Assistant Deputy Minister of the Municipal Relations Division of Government Relations.

11. Designated assets

Included in NSAD are northern settlements and recreational subdivisions. Under the Act, revenues collected with respect to northern settlements and recreational subdivisions must be used for the benefit of the respective communities and are not available for general purposes. The Act specifies that revenues derived from the sale of Crown land within the boundaries of a northern settlement are to be used on capital works in that northern settlement. The accumulated surplus of \$9.5 million (2004 – \$9.5 million) is not available for general purposes.

Following is additional information on revenues, expenses and accumulated surplus of northern settlements and recreational subdivisions.

	2005			2004
	Northern Settlements	Recreational Subdivisions	Total	Total
Revenues				
Transfers				
Water and sewer	\$ 27,412	\$ —	\$ 27,412	\$ 253,169
Northern revenue sharing	936,533	—	936,533	911,256
Northern capital	134,128	—	134,128	73,253
Other	58,805	334	59,139	96,080
Utility and fuel sales	776,753	—	776,753	559,509
Interest	106,892	12,875	119,767	104,633
Taxation	15,166	95,435	110,601	112,303
Lease fees and land sales	82,212	220	82,432	18,060
Other	47,043	2,173	49,216	23,989
	<u>2,184,944</u>	<u>111,037</u>	<u>2,295,981</u>	<u>2,152,252</u>
Expenses				
Fuel costs	750,880	—	750,880	550,288
Landfill decommissioning	3,964	666	4,630	184,034
Bad debt provision	30,984	5,841	36,825	28,345
Municipal services				
General government	105,300	7,433	112,733	129,800
Utilities operating costs	570,332	4,513	574,845	578,838
Recreation and cultural	273,527	8,924	282,451	305,568
Environmental	181,588	18,126	199,714	254,028
Transportation	282,437	35,549	317,986	312,435
Protective services	11,561	9,312	20,873	23,698
Public health and welfare	210	—	210	—
	<u>2,210,783</u>	<u>90,364</u>	<u>2,301,147</u>	<u>2,367,034</u>
(Deficit) surplus for the year	(25,839)	20,673	(5,166)	(214,782)
Accumulated surplus, beginning of year	<u>9,008,016</u>	<u>476,935</u>	<u>9,484,951</u>	<u>9,699,733</u>
Accumulated surplus, end of year	<u>\$ 8,982,177</u>	<u>\$ 497,608</u>	<u>\$ 9,479,785</u>	<u>\$ 9,484,951</u>
Net financial assets, end of year	<u>\$ 3,787,112</u>	<u>\$ 371,119</u>	<u>\$ 4,158,231</u>	<u>\$ 3,899,733</u>

The accumulated surplus at the end of the year includes the net financial assets and the net book value of the tangible capital assets of the northern settlements and recreational subdivisions.

12. Northern residential subdivision program

Northern residential subdivision costs are accounted for in accordance with the policy in Note 2 (e). The development costs include subdivision design and installation of power and water and sewer services. In 2005, NRSTA expensed \$404,884 (2004 – \$166,224) as Northern Residential Subdivision Program expenses. During the year, five Denare Beach and four Pinehouse lots were sold for a total of \$208,900. This revenue was recorded in land sale revenue.



Northern residential subdivision program con't

	Cumberland House	Pinehouse	lie a la Crosse	Denare Beach	Total 2005	Total 2004
Net development cost, beg of year	\$ 189,984	\$ 223,564	\$ 603,459	\$ 56,389	\$ 1,073,396	\$ 907,172
Incurred during the year	—	—	—	404,884	404,884	166,224
Development cost, end of year	189,984	223,564	603,459	461,273	1,478,280	1,073,396
Less: previously expensed	(189,984)	(223,564)	(603,459)	(56,389)	(1,073,396)	(907,172)
Less: expensed during the year	—	—	—	(404,884)	(404,884)	(166,224)
Net development cost, end of year	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

13. Related party transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to NRSTA by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled on agreed upon exchange amounts. The following table summarizes the routine related party transactions for the year:

	2005	2004
Expenses		
Water and sewer transfers	\$ 445,931	\$ 660,376
General government	860,718	937,001
Accounts receivable		
Due from the General Revenue Fund	377,242	1,451,634
Lease receivable	1,881,998	2,493,989
Accounts payable	150,000	150,000
Prepaid expenses	107,500	107,500

In addition, NRSTA pays provincial sales tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

NRSTA received the following transfers from related parties during the year:

	2005	2004
General Revenue Fund		
Department of Government Relations	\$ 8,500,207	\$ 8,543,918
Department of Community Resources	47,016	27,654
Saskatchewan Lotteries Trust Fund for Sport, Recreation and Culture	6,638	12,610
Grants in lieu from Saskatchewan departments and agencies	40,035	38,071
	<u>\$ 8,593,896</u>	<u>\$ 8,622,253</u>

The Department of Environment is responsible for administering Crown land within NSAD. Therefore, Crown land is not reflected on the Statement of Financial Position. However, in accordance with *The Northern Crown Land Disposition Regulations* and the Act, NRSTA is entitled to receive all proceeds from Crown land sales and leases within NSAD. During the year, the Department of Environment charged

NRSTA \$430,000 (2004 – \$430,000) for administration of Crown land lease fees and Crown land sales, which is included in general government expenses.

An annual administration charge of \$200,000 has been established by GR to offset its expenses for administering NRSTA, which is included in general government expenses.

14. Commitments

As at December 31, 2005, NRSTA is committed to funding northern water and sewer, capital grant and northern subdivision projects through 2006. These commitments total \$2 million (2004 – \$6 million).

15. Comparative amounts

Certain comparative numbers have been reclassified to conform to the current year's financial statements presentation.

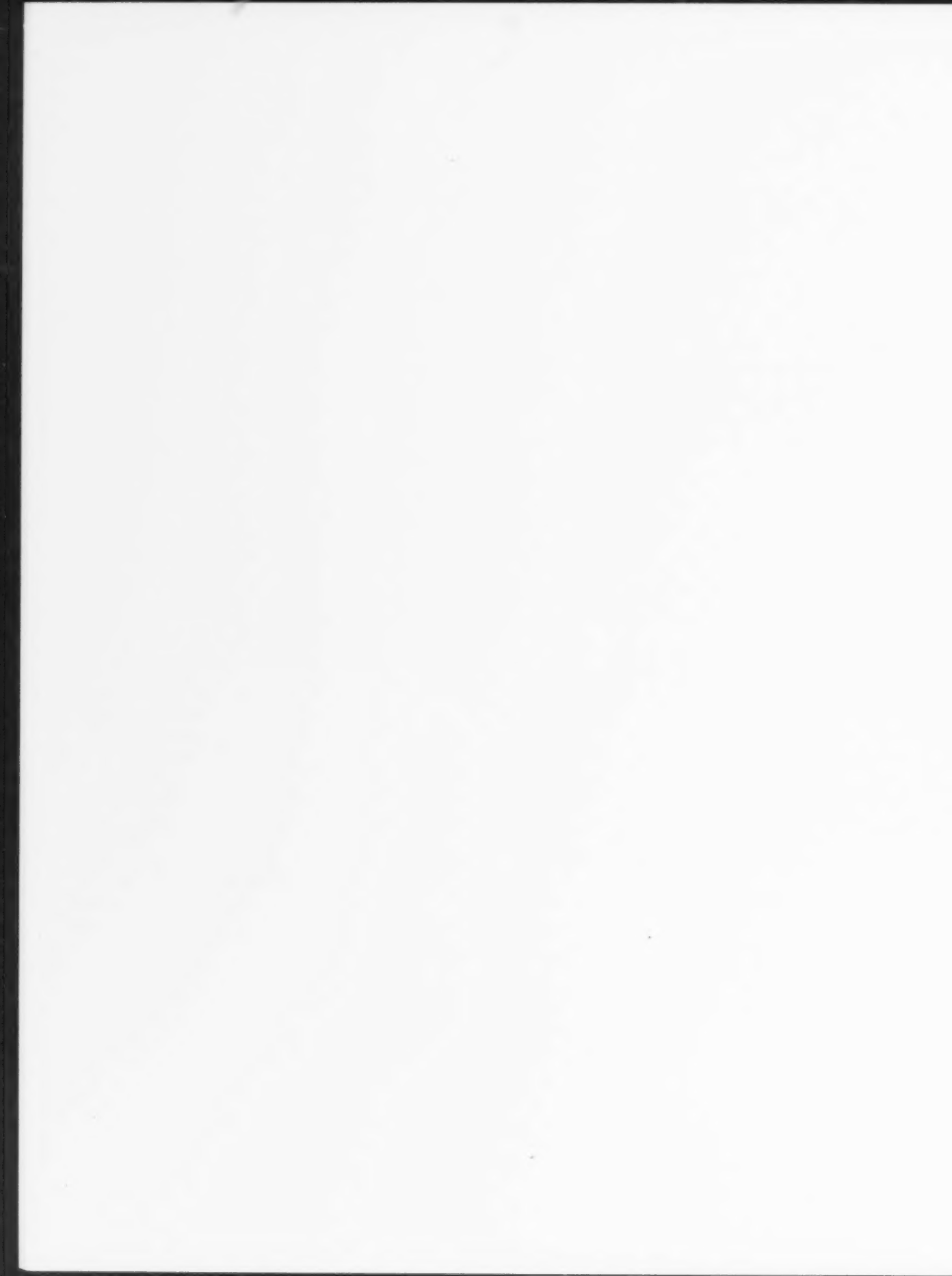
16. Expenses by object

	2005		2004
	Budget (Note 10)	Actual	Actual
Transfers	\$ 15,038,600	\$ 12,502,982	\$ 14,592,808
Northern subdivision development	600,000	404,884	166,224
Wages and benefits	455,200	330,064	401,333
Administration	729,700	680,093	686,669
Maintenance, materials and supplies	634,400	847,120	614,392
Contractual services	811,500	694,459	939,246
Utilities	302,400	273,169	288,486
Amortization	516,700	523,580	528,783
Loss on disposal of tangible capital assets	—	5,487	7,476
Bad debt expense	150,000	50,205	248,000
Other expenses	115,500	105,416	97,574
	<u>\$ 19,354,000</u>	<u>\$ 16,417,459</u>	<u>\$ 18,570,991</u>

Schedule 1

**NORTHERN REVENUE SHARING TRUST ACCOUNT
DETAILED SCHEDULE OF REVENUES (UNAUDITED)
For the year ended December 31**

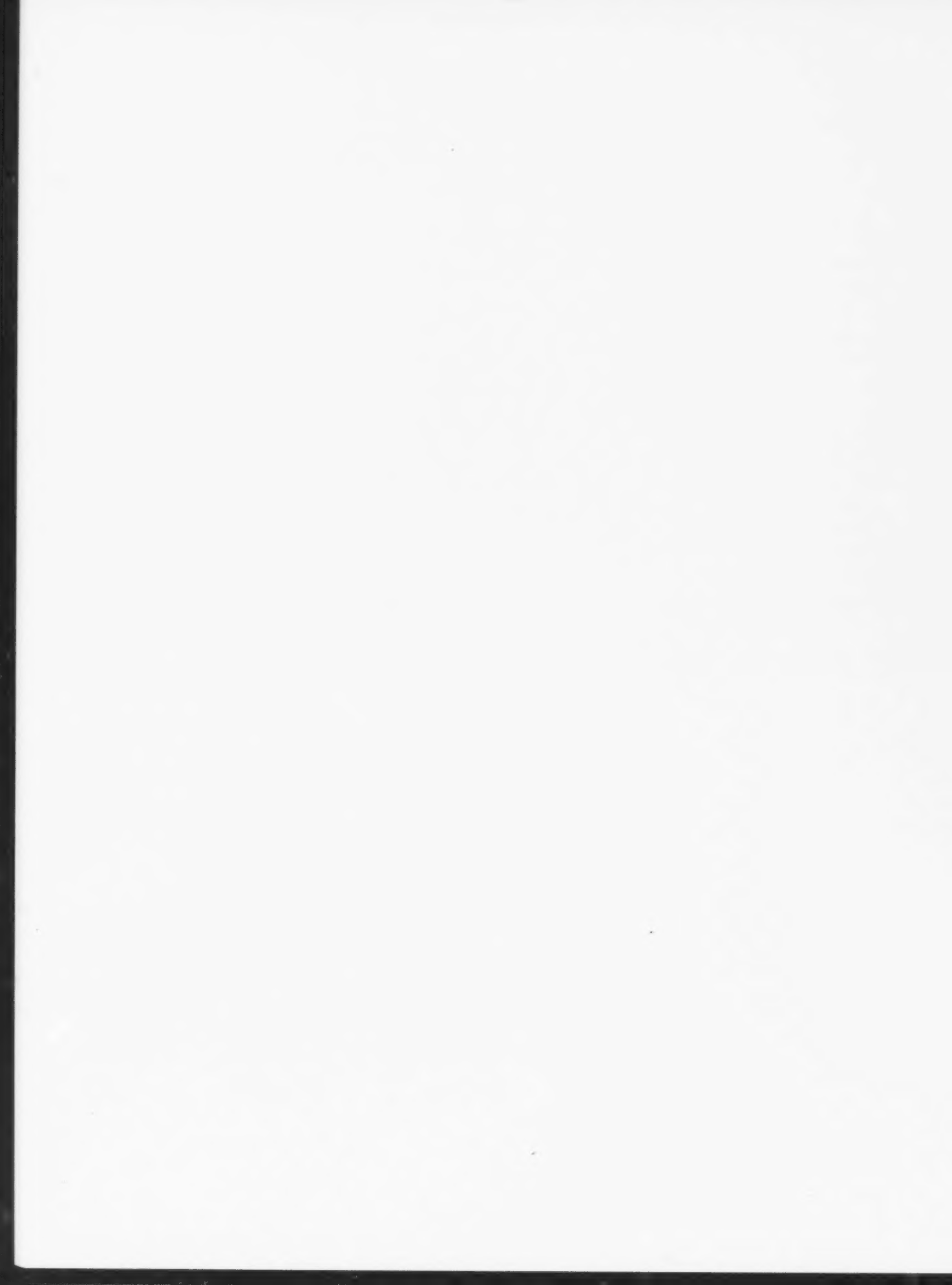
	2005		2004
	Budget	Actual	Actual
Revenues			
Transfers			
Unconditional revenue sharing transfers	\$ 6,980,000	\$ 6,980,000	\$ 6,980,000
Unconditional Canada Saskatchewan Infrastructure and Centenary program - water and sewer	2,800,000	1,520,207	1,514,145
Conditional training, recreational and other	59,200	53,654	90,038
Grants in Lieu	44,900	46,003	44,033
	<u>9,884,100</u>	<u>8,599,864</u>	<u>8,628,216</u>
Lease fees	3,719,000	3,985,869	3,704,866
Taxes			
Municipal tax levy	1,247,300	1,299,891	1,220,780
Discount on taxes	(55,100)	(58,407)	(57,473)
Municipal taxes cancelled	(4,200)	(26,550)	(5,901)
Municipal taxes refunded	(10,000)	(2,648)	(29)
	<u>1,178,000</u>	<u>1,212,286</u>	<u>1,157,377</u>
Interest			
Interest	422,800	608,072	620,090
Penalty on taxes	41,700	47,672	42,805
	<u>464,500</u>	<u>655,744</u>	<u>662,895</u>
Utility and fuel sales	560,400	776,753	559,509
Land sales	300,000	398,236	1,082,515
Other	25,500	50,842	25,200
Total revenue	<u>\$ 16,131,500</u>	<u>\$ 15,679,594</u>	<u>\$ 15,820,578</u>



Schedule 2

NORTHERN REVENUE SHARING TRUST ACCOUNT
DETAILED SCHEDULE OF EXPENSES (UNAUDITED)
For the year ended December 31

	2005		2004
	Budget	Actual	Actual
Expenses			
Transfers			
Northern revenue sharing	\$ 6,723,500	\$ 6,764,732	\$ 6,586,148
Water and sewer	7,108,000	4,423,319	6,343,764
Capital grants	987,100	1,094,931	1,442,896
New North	220,000	220,000	220,000
	<u>15,038,600</u>	<u>12,502,982</u>	<u>14,592,808</u>
Northern residential subdivision program	600,000	404,884	166,224
General government			
Wages and benefits	26,300	16,155	16,412
Administration	729,700	680,093	686,669
Contractual services	481,100	459,569	375,609
Utilities	45,000	43,321	50,516
Maintenance, materials and supplies	18,300	13,743	12,542
Loss on disposal of tangible capital assets	—	5,487	7,476
Other	21,900	13,073	9,536
Amortization	32,900	20,215	22,429
	<u>1,355,200</u>	<u>1,251,656</u>	<u>1,181,189</u>
Utilities operating expense			
Wages and benefits	102,100	90,360	89,270
Contractual services	70,800	77,657	78,633
Utilities	119,000	108,048	121,636
Maintenance, materials and supplies	46,200	69,277	51,747
Other	40,400	37,172	45,537
Amortization	177,100	192,331	192,015
	<u>555,600</u>	<u>574,845</u>	<u>578,838</u>
Recreation and cultural			
Wages and benefits	57,200	25,739	47,989
Contractual services	9,300	19,113	12,740
Utilities	61,700	49,423	42,989
Maintenance, materials and supplies	72,900	36,010	44,161
Other	34,600	18,093	13,415
Amortization	130,800	134,073	144,274
	<u>366,500</u>	<u>282,451</u>	<u>305,568</u>
Environmental			
Wages and benefits	179,400	132,179	149,207
Contractual services	36,000	41,503	78,879
Maintenance, materials and supplies	46,900	21,560	24,409
Other	3,400	1,772	725
Amortization	4,500	5,303	4,474
	<u>270,200</u>	<u>202,317</u>	<u>257,694</u>



**NORTHERN REVENUE SHARING TRUST ACCOUNT
DETAILED SCHEDULE OF EXPENSES (UNAUDITED)
For the year ended December 31**

	2005		2004
	Budget	Actual	Actual
Transportation services			
Wages and benefits	\$ 72,200	\$ 62,692	\$ 91,118
Contractual services	74,400	44,137	39,010
Utilities	73,300	68,765	69,999
Maintenance, materials and supplies	64,800	58,099	33,651
Other	14,000	19,592	11,208
Amortization	60,000	70,954	67,449
	<u>358,700</u>	<u>324,239</u>	<u>312,435</u>
Protective services			
Wages and benefits	18,000	2,939	7,337
Maintenance, materials and supplies	4,500	1,197	3,291
Contractual services	2,900	353	126
Utilities	2,700	2,852	2,764
Other	1,200	2,605	1,815
Amortization	21,600	10,927	8,365
	<u>50,900</u>	<u>20,873</u>	<u>23,698</u>
Public health and welfare			
Contractual services	2,000	210	—
	<u>2,000</u>	<u>210</u>	<u>—</u>
Planning and development			
Contractual services	35,000	—	—
	<u>35,000</u>	<u>—</u>	<u>—</u>
Fuel operating cost			
Maintenance, materials and supplies	380,800	647,234	444,591
Other	—	13,109	15,338
Utilities	700	760	582
Amortization	89,800	89,777	89,777
	<u>471,300</u>	<u>750,880</u>	<u>550,288</u>
Landfill decommissioning			
Contractual services	100,000	51,917	354,249
	<u>100,000</u>	<u>51,917</u>	<u>354,249</u>
Bad debt expense	150,000	50,205	240,000
Total expenses	<u>\$ 19,354,000</u>	<u>\$ 16,417,459</u>	<u>\$ 18,570,991</u>

